

Mandated report: Geographic adjustment of payments for the work of physicians and other health professionals

ISSUE: The Middle Class Tax Relief and Job Creation Act of 2012 directs the Commission to consider whether certain payments under the physician fee schedule—payments for the work effort of physicians and other health professionals—should be adjusted geographically. In fulfilling the mandate, the Commission is to assess whether any adjustment is appropriate to distinguish the difference in work effort by geographic area and, if so, what the level of the adjustment should be and where it should be applied. The Commission must also assess the impact of the current adjustment, including its impacts on access to care.

KEY POINTS: At the September meeting, Commissioners reviewed background on the current adjustment: the geographic practice cost index (GPCI) for work. There was also discussion of arguments for and against the GPCI, and Commissioners started discussion of policy options. At the October meeting, Commissioners will consider the results of several analyses:

- correlation of the work GPCI with alternate measures of geographic variation in input prices for the work of physicians and other health professionals
- impact of the work GPCI on access to care
- impact of work GPCI on spending.

ACTION: Commissioners should review the findings presented in the attached briefing material and anticipate discussion of a draft recommendation that will be presented at the meeting.

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